

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 IO-13 ACDA-07 TRSE-00 EB-08 COME-00 SIL-01
LAB-04 /091 W
-----191605Z 125524 /40

R 181915Z MAR 77
FM AMCONSUL QUEBEC
TO SECSTATE WASHDC 932
INFO AMEMBASSY OTTAWA
AMCONSUL MONTREAL
AMCONSUL TORONTO

C O N F I D E N T I A L QUEBEC 0121

E.O. 11652: GDS
TAGS: PINT, ECON, EIND, EINV, CA
SUBJECT: TOWARDS MODERATION AND PROSPERITY WITH THE PARTI QUEBECOIS

SUMMARY: QUEBEC MINISTER OF STATE FOR ECONOMIC AFFAIRS LANDRY TOLD ME THAT PROSPERITY IS PQ'S FIRST PRIORITY. RADICALS IN PARTY ARE BEING QUIETLY PUSHED ASIDE AND MODERATE POSITION WILL EMERGE DOMINANT FROM NEXT PARTY CONGRESS, INCLUDING ACCEPTANCE OF NEED FOR INDEPENDENT QUEBEC TO PARTICIPATE IN NATO AND NORAD. QUEBECOIS ARE INTERESTED IN "JOINT VENTURES" WITH AMERICAN FIRMS. THEY SEE NEED FOR RESTRUCTURING ECONOMY BY "PHASING OUT" TEXTILE INDUSTRY IN 10-12 YEARS. HOWEVER, LANDRY SAID THEY ALSO UNDERSTAND POTENTIAL DANGER OF UNEMPLOYMENT WHICH COULD RESULT FROM PRECIPITOUS REDUCTION IN SUPPORTS TO TEXTILE INDUSTRY. LANDRY'S COMMENTS ARE ANOTHER INDICATION OF PQ AWARENESS OF IMPORTANCE ECONOMIC CONDITIONS OVER NEXT 1-3 YEARS. END SUMMARY

1. QUEBEC MINISTER OF STATE FOR ECONOMIC AFFAIRS, BERNARD LANDRY, YESTERDAY COMMENTED PRIVATELY TO ME THAT HIS GOVERNMENT'S FIRST PRIORITY IS TO ASSURE PROSPERITY OF QUEBEC PEOPLE. SHOULD OTHER PQ GOALS INTERFER WITH THIS PRIMARY CONDITION THEY WILL BE
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MODIFIED, DELAYED, OR DROPPED AS APPROPRIATE. PROSPERITY, HE SAID, EVEN COMES BEFORE INDEPENDENCE. SHOULD WE EVER BE FORCED MAKE CHOICE BETWEEN THESE TWO GOALS, PROSPERITY WOULD BE GIVEN PRIDE OF PLACE.

2. GOQ HAS DECIDED "GO SLOW" ON ANY MEASURES WHICH MIGHT INTERFER WITH PRIVATE SECTOR OF ECONOMY. WE WOULD PREFER HAVE PROSPEROUS

ECONOMY DEPENDENT ON FOREIGN CAPITAL AND OWNERSHIP THAN POOR BUT INDEPENDENT ONE. NO POPULARLY ELECTED GOVERNMENT COULD LONG SURVIVE IN QUEBEC IF ITS PRIORITIES WERE NOT SO ORDERED, LANDRY ASSERTED.

3. RADICAL MINORITY IN PQ, HITHERTO DISPROPORTIONATELY STRONG AMONG PARTY CADRE, IS BEING FORCED ACCEPT HARD REALITIES IMPOSED BY PARTY'S RESPONSIBILITY TO GOVERN OR ARE BEING EASED OUT OF PARTY. PARTY PROGRAM WILL UNDERGO MAJOR REVISION AT CONGRESS TO BE HELD IN SPRING. DOMINANCE OF MODERATE ELEMENTS IN PARTY STRUCTURE, MINISTER

SAID, WILL BE REFLECTED IN THESE CHANGES. LANDRY PREDICTED MAJOR CHANGE IN PQ'S PACIFIST DEFENSE POLICY TOWARD ACCEPTANCE OF NEED FOR INDEPENDENT QUEBEC TO PARTICIPATE IN NATO AND NORAD.

4. LANDRY ASKED MY OPINION ON ATTITUDE U.S. BUSINESS TO "JOINT VENTURES" WITH PARA-STATAL OR QUEBEC PRIVATELY OWNED FIRMS. I TOLD HIM

THAT MANY U.S. COMPANIES, PARTICULARLY AMONG MIDDLE-SIZED FIRMS, HAVE SHOWN PREFERENCE FOR SUCH ARRANGEMENTS IN THEIR FOREIGN OPERATIONS AS HEDGE AGAINST THREAT OF NATIONALIZATION AND OTHER LESSER FORMS OF GOVERNMENT INTERFERENCE. I ADVISED HIM TO IDENTIFY SPECIFIC INVESTMENT OPPORTUNITIES, DEVELOP PROSPECTUSES, TARGET FIRMS WHO MIGHT BE INTERESTED OR WELL SUITED TAKE UP SUCH OPPORTUNITY THROUGH CONSULTATION WITH APPROPRIATE U.S. TRADE ASSOCIATIONS, AND APPROACH THESE FIRMS WITH SPECIFIC OFFER. LANDRY THOUGHT THIS APPROACH SUPERIOR TO "UNSYSTEMATIC METHODS" NOW EMPLOYED BY QUEBEC. HE WILL DISCUSS IMPLEMENTATION OF SOME SUCH SCHEME WITH MINISTRY OF COMMERCE AND INDUSTRY.
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TM ON NEED TO RESTRUCTURE QUEBEC ECONOMY, LANDRY COMMENTED THAT QUEBEC'S TEXTILE INDUSTRY IS PROVINCE'S ECONOMIC "ACHILLES HEEL." HE HOPES "PHASE IT OUT" WITHIN NEXT 10-12 YEARS BUT RECOGNIZES THE RISK IN LARGE-SCALE UNEMPLOYMENT SHOULD INDUSTRY BE PRESSED TOO PRECIPITOUSLY.

6. ON POSSIBILITY OF VIOLENCE AS PQ ATTEMPTS MANIPULATE HIGHLY EMOTIVE ISSUES IN ITS CHALLENGE TO FEDERAL AUTHORITY, LANDRY FIRMLY ASSURED ME THAT THERE IS LITTLE LIKELIHOOD OF VIOLENCE ERUPTING AMONG QUEBECOIS NATIONALISTS. THERE IS "NO HATE" IN OUR RELATIONSHIP WITH OUR ANGLOPHONE NEIGHBORS, HE SAID. WE DISAGREE POLITICALLY BUT ARE ABLE MAINTAIN REASONABLE LEVELS OF PERSONAL AIMIABILITY. LANDRY ASSERTED THAT HE WOULD NOT TAKE PART IN NATIONALIST

POLITICS IF HE BELIEVED THERE WAS ANY CHANCE OF VIOLENCE.

7. COMMENT: LANDRY'S PRIVATE COMMENTS ARE YET ANOTHER INDICATION THAT PQ IS WELL AWARE THAT THEIR SURVIVAL AS GOVERNMENT, NOT TO SPEAK

OF THEIR CHANCES OF GAINING MAJORITY SUPPORT FOR SOVEREIGNTIST GOALS
IN REFERENDUM, DEPEND ON THEIR HANDLING OF UNPROMISING ECONOMY
OVER NEXT 2-3 YEARS. HE ALSO CONFIRMED THAT PARTY'S RADICALS
ARE NOW BEING PUSHED ASIDE AS DANGEROUSLY ANACHRONISTIC TO
TO TECHNOCRATICALLY DOMINANT ELEMENTS IN GOQ.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
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TAGS: PINT, ECON, EIND, EINV, CA
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/2100eeb5-c288-dd11-92da-001cc4696bcc
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